

Partnerships for Reforming Romanian Agriculture

The Challenge

After the revolution in 1989, the large stateowned collective farms collapsed. Many people were thrown out of work. The government quickly started to restitute land to the families who owned farms prior to the communist regime. The farm equipment from the collectives was not transferred to the farmers. In many areas, the equipment was left to rust

Simultaneously, thousands of state-owned factories in small towns and cities closed. More people were thrown out of work, prompting many to return to the villages where they or their parents had previ-

ously owned land.

Without any farm equipment families began subsistence farming on their small plots. The total area of these restituted plots was between 5 and 7 1/2 acres, and was often divided into several plots. Their productivity was extremely low. Romania. the breadbasket of Eastern Europe in the 1930s, with more than 40 percent of its population employed in agriculture, became a net importer of food in the 1990s. The entire agricultural system had to be rebuilt. There was also a need for new laws, especially those related to tariffs on agricultural imports and

exports. Efficient and environmentally sustainable production needed to be embraced. A nationwide effort to promote trade and investment in agriculture was essential.



Rural Finance Leader Development Program 2003 - 2006

The Response



Romanian authorities and specialists partnered with U.S. advisors to develop modern farming techniques and the rural economy. Together they worked to build farmers' associations to rehabilitate their irrigated land, learn about cropping systems that yield higher profits, cover the costs of irrigation and increase incomes. They also

worked to strengthen the institutional framework by building sound government agencies and private associations of farmers and food processors.

Local consultants and American advisors provided advice and training to help farmers and rural businesses obtain grants and loans. An important objective was to improve competitiveness and find new markets for agribusiness.

The future of agriculture was ensured by provid-

ing scholarships in the U.S. for young agricultural scientists to be able to help farmers and rural businesses become familiar with the latest developments in agricultural and food sciences, policy development and agricultural economics.

Rural, ecological and cultural tourism development was encouraged to become an income generating industry and labor alternative for the large rural population. Preservation of traditions while opening up Romania's cultural heritage to visitors was one of the objectives of the assistance programs.



Guesthouse registered online with USAID assistance

The Results



Wine tasting by Romanian Wine Export Association which received support from USAID

- Associations of millers and bakers, meat processors, diary farmers, organic farmers, poultry breeders, beekeepers, and wine producers were established and trained. They are actively working on behalf of Romanian producers to increase their members' access to domestic and international markets.
- 176 Water User Associations were formed. They rehabilitated 650, 000 hectares of irrigated land bringing them back into production.
- A private Biotech Farmers Association promoting high productivity genetically modified seeds (GMOs) was created. This helped farmers obtain excellent yields, making Romania a net exporter of vegetable protein for the first time since 1989.

• Through a network of finance consultants, farmers and rural businesses have borrowed more than \$15 million in loans and grants used to increase capital and production efficiency.

- 50 scientists and professionals were trained in the U.S. as Norman Borlaug Fellows and Scholars. They apply the knowledge they gained in their research work and provide Romanian policy makers with information to make sound, science-based policy decisions.
- 250 members of beekeepers' associations are now exporting certified organic honey to the broader EU market.
- U.S. investment has brought new technologies and management practices to agribusinesses, allowing for increased efficiency of the sector.
- Rural tourism, food processing, and small enterprises provide economic alternatives to farming in rural areas.
- Recently, 14 wineries were cited in the 2006 edition of *Hugh Johnson's Pocket Wine Book*. The book is an authoritative source of information on the quality of wines from all over the world.



New technology for food processing at Avicola Crevedia was purchased with USAID assistance

